

Planning for Project Life-Cycle Costs

Issue:

- DOE Order 430.1A states "The management of physical assets from acquisition through operations and disposition shall be an integrated and seamless process linking the various life cycle phases."
- Project planning for complete life-cycle costs of assets should include the estimated costs for decontamination and decommissioning (D&D) of contaminated physical assets at the completion of a project.
- Prior project activities may not have addressed close out costs related to facilities and assets. Sites are dealing with:
 - Legacy contamination
 - De-commissioning and removal of equipment
 - Re-assignment of capital assets
- The two components to this issue are how to fund:
 - Legacy project D&D (no current sponsor)
 - Future D&D of new and on-going project (current and future sponsors)

Discussion Points:

- Responsibility of waste management transitioned or transitioning to the site landlord programs.
- Long-term legacy clean-up is not clearly planned.
- Each site faces the repercussion as they are faced with long-term clean-up by either the institution or a user program that wants the equipment or facility and is willing to foot the bill for clean-up.
- Projects may or may not be planning in full life-cycle costs. Planning such costs into a project may make it prohibitively expensive and jeopardize funding.
- An example: Hanford put together a mortgage reduction plan for the Vitrification Plant whereby there was a D&D rate applied to the funding to cover eventual clean-up. Hanford made a special arrangement with DOE to allow a holding account to carry over the collection of funds.
- Options to consider:
 - DOE withhold funds on contracts for clean-up
 - Contractor collect based on appropriate rate from existing projects and hold dollars for future use
 - Congressional appropriation for site restoration. Congress could appropriate direct funding to DOE sites based on some fraction of site environmental liability. The scope would be to begin the restoration of site contaminated facilities to usable or de-commissioning condition.